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MEMORANDUM
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FROM: Steven M. Olea
Director
Utilities Division

2009 SEP 28 P 2: 37

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

SEP 28 2009

DATE: September 28, 2009

RE: NORTHERN SUNRISE WATER COMPANY (DOCKET NO. W-20453A-06-0247),
SOUTHERN SUNRISE WATER COMPANY (DOCKET NO. W-20454A-06-0248)
AND NORTHERN SUNRISE AND SOUTHERN SUNRISE WATER COMPANY
(DOCKET NOS. W-20453A-06-0247, W-20454A-06-0248, W-20453A-06-0251, W-
20454A-06-0251, W-01646A-06-0251, DOCKET NO. W-01868A-06-0251, W-
02235A-06-0251, W-02316A-06-0251, W-02230A-06-0251, W-01629A-06-0251,
AND W-02240A-06-0251)

In Decision No. 70955, dated April 7, 2009, the Arizona Corporation Commission ("Commission") approved the application of Northern Sunrise Water Company ("Northern Sunrise") and Southern Sunrise Water Company ("Southern Sunrise"), collectively known as "Northern and Southern Sunrise", for Certificates of Convenience and Necessity ("CC&N") and for approval of sale and transfer of water utility assets from the former "McLain" systems located in Cochise County, Arizona.

As part of Decision No. 70955, the Commission specifically ordered that Southern Sunrise should do the following:

"... contact East Slope Water Company and use its best efforts to negotiate a borderline agreement and shall file such agreement with the Commission for review and approval within 120 days of the effective date of this decision."

Based on the April 7, 2009 date of Decision No. 70955 and the 120 day due date applied to the filing of the borderline agreement, the original due date for this item was on or about August 7, 2009.

On August 12, 2009, the Company filed a motion with the Commission titled "Motion For Extension of Time To Comply With Decision No. 70955". The filing seeks to extend the current August 7, 2009 deadline, to a November 7, 2009 deadline. In the application, the Company simply states that East Slope Water Company ("East Slope") had an emergency surcharge filing and the issues concerning its system took some precedence over the borderline agreement. As a result, Southern Sunrise has not yet been successful in negotiating the final borderline agreement necessary for meeting the requirements of the decision.

On September 22, 2009, Staff contacted Mr. Patrick Black, of the law firm of Fennemore Craig, who represents the Company in this regard. Mr. Black confirmed that the Company has

been continuing its effort to negotiate the borderline agreement and stated his belief that an agreement is about to be finalized.

In the interest of protecting the East Slope customers being served by Southern Sunrise, it appears reasonable to allow the Company an extension of time to bring the borderline agreement to fruition. Additionally, the Company proposed extension date of November 7, 2009, appears adequate to provide some cushion in the case of further contingencies.

Based on all of the above, Staff will not object to the Company's request for an extension of time for the negotiation and provision of the borderline agreement required by Decision No. 70955. Staff therefore recommends that the August 7, 2009, due date for provision of the borderline agreement be extended until November 7, 2009.

SMO:BKB:lhbm

Originator: Brian K. Bozzo

Attachment

SERVICE LIST FOR: NORTHERN SUNRISE WATER COMPANY and
SOUTHERN SUNRISE WATER COMPANY
DOCKET NOS. W-20453A-06-0247; W-20454A-06-0248; W-20453A-06-0251;
W-20454A-06-0251; W-01646A-06-0251; W-01868A-06-0251;
W-02235A-06-0251; W-02316A-06-0251; W-02230A-06-0251;
W-01629A-06-0251; and W-02240A-06-0251.

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[Signature]

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Attorneys for Northern Sunrise Water Company
and Southern Sunrise Water Company

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF
NORTHERN SUNRISE WATER COMPANY FOR A
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER UTILITY
SERVICE IN COCHISE COUNTY, ARIZONA.

DOCKET NO. W-20453A-06-0247

IN THE MATTER OF THE APPLICATION OF
SOUTHERN SUNRISE WATER COMPANY FOR A
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WATER UTILITY
SERVICE IN COCHISE COUNTY, ARIZONA.

DOCKET NO. W-20454A-06-0248

IN THE MATTER OF THE JOINT APPLICATION
OF NORTHERN SUNRISE WATER COMPANY
AND SOUTHERN SUNRISE WATER COMPANY
FOR THE APPROVAL OF SALE AND TRANSFER
OF WATER UTILITY ASSETS, AND
CANCELLATION OF CERTIFICATES OF
CONVENIENCE AND NECESSITY, FOR
MIRACLE VALLEY WATER COMPANY,
COCHISE WATER COMPANY, HORSESHOE
RANCH WATER COMPANY, CRYSTAL WATER
COMPANY, MUSTANG WATER COMPANY,
CORONADO ESTATES WATER COMPANY, AND
SIERRA SUNSET WATER COMPANY, LOCATED
IN COCHISE COUNTY, ARIZONA.

DOCKET NOS. W-20453A-06-0251
W-20454A-06-0251
W-01646A-06-0251
W-01868A-06-0251
W-02235A-06-0251
W-02316A-06-0251
W-02230A-06-0251
W-01629A-06-0251
W-02240A-06-0251

**MOTION FOR EXTENSION OF
TIME TO COMPLY WITH
DECISION NO. 70955**

Southern Sunrise Water Company ("SSWC" or the "Company") hereby files this
Motion for Extension of Time to Comply with Decision No. 70955 in the above-captioned
docket ("Motion"). Decision No. 70955 requires the Company to use its best efforts to

1 negotiate a borderline agreement with East Slope Water Company ("East Slope"), and to
2 file such agreement for Commission review and approval within 120 days of the decision.
3 The deadline was August 7, 2009. SSWC originally filed a Notice of Compliance on
4 August 7, 2009, but has since been requested by Staff to file this Motion.

5 To date, SSWC has been unsuccessful in negotiating a final borderline agreement
6 with East Slope, to be filed with the Commission for review and approval. On June 2,
7 2009, East Slope filed a request for approval of an emergency surcharge to increase
8 storage capacity, and it appears that issues concerning the system have taken precedent,
9 understandably, over entering into a borderline agreement. Furthermore, SSWC has a
10 duty to its customers to not unreasonably expose them to any negative effects in the event
11 that they are required to switch water providers as a result of the borderline agreement.

12 Decision No. 70955, and the requirement to submit a borderline agreement for
13 review and approval, is predicated upon the assumption that the Company's efforts would
14 be successful. SSWC is confident that it will be successful in this regard, and will
15 continue to negotiate with East Slope so that a borderline agreement can be finalized
16 within the next 90 days. Therefore, SSWC respectfully requests that the Commission
17 extend the compliance deadline in this matter to November 7, 2009.

18 RESPECTFULLY SUBMITTED this 12th day of August, 2009.

19 FENNEMORE CRAIG, P.C.

20
21 By: 

22 Jay L. Shapiro
23 Patrick J. Black
24 Attorneys for Northern Sunrise Water Company
25 and Southern Sunrise Water Company
26

1 **ORIGINAL and 17 copies filed**
2 this 12th day of August, 2009 with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington Street
6 Phoenix, Arizona 85007

7 **Copy hand-delivered**
8 this 12th day of August, 2009 to:

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24 **Copy sent via U.S. mail and/or**
25 **Electronic mail this 12th day of**
26 **August, 2009 to:**

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